



**PASADENA UNIFIED SCHOOL DISTRICT
OFFICE OF THE CHIEF FINANCE OFFICER**

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

67 June 19, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

BY HAND DELIVERY

June 13, 2012

The Honorable Board of Supervisors
County of Los Angeles
c/o Olga Castaneda, Head, Board Specialist
383 Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012

**Re: Pasadena Unified School District, 2008 Election General Obligation Bonds,
Series 2012: Request to the Los Angeles County Board of Supervisors to
Levy Taxes and to Direct the Auditor-Controller to Place Taxes on Tax Roll.**

Dear Supervisors:

At this time, the Pasadena Unified School District (the "District") has authorized and intends to issue its 2008 Election General Obligation Bonds, Series 2012 in an aggregate principal amount not-to-exceed \$125,000,000 (the "Bonds"), for the purpose of funding voter-approved capital projects. The above actions were approved by a resolution (the "District Resolution") adopted by the Board of Education (the "District Board") of the District on June 12, 2012, pursuant to Section 53506 *et seq.* of the California Government Code and other applicable provisions of law with respect to the Bonds. The District Resolution is in full force and effect and the District Board has taken no action to amend or rescind the District Resolution. A certified copy of the District Resolution is enclosed herein.

The District formally requests, in accordance with Education Code Section 15250 and other applicable provisions of law, that the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopt the enclosed resolution (the "County Resolution"), superseding the resolution regarding bonds of the District adopted by the Board of Supervisors at its May 15, 2012, meeting, to levy the appropriate taxes for the payment of the Bonds and to direct the Auditor-Controller of the County to place these taxes on the tax roll every year according to a debt service schedule and instructions that will be provided upon the sale of the Bonds (currently scheduled to occur on June 20, 2012), and to direct the County Treasurer and Tax Collector to serve as the Paying Agent for the Bonds.

IT IS THEREFORE REQUESTED THAT:

1. The Board of Supervisors adopt the County Resolution on the next available Board of Supervisors meeting. (Two originals are enclosed which have been approved as to form by County Counsel.)
2. After the Board of Supervisors has taken action on this letter, the District requests that the Clerk of the Board of Supervisors furnish two (2) certified copies of the Resolution to:

David Casnocha
Stradling Yocca Carlson and Rauth
44 Montgomery Street, Suite 4200
San Francisco, CA 94104

and send one (1) copy of the Resolution to each of the following:

Los Angeles County Treasurer and Tax Collector
Attention: John Patterson
500 W. Temple Street, Suite 437
Los Angeles, CA 90012

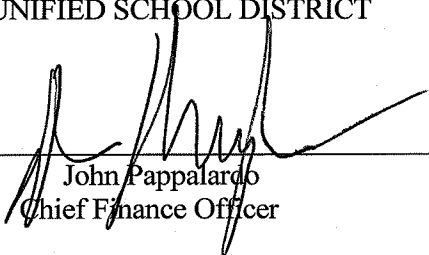
Los Angeles County Auditor-Controller
Attention: Jackie Guevarra
500 W. Temple Street, Suite 603
Los Angeles, CA 90012

Los Angeles County Counsel
Attention: Cammy DuPont
500 W. Temple Street, Room 648
Los Angeles, CA 90012

Sincerely,

PASADENA UNIFIED SCHOOL DISTRICT

By: _____


John Pappalardo
Chief Finance Officer

cc: John Patterson
David Casnocha
Enclosures

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA AUTHORIZING THE LEVY OF TAXES FOR GENERAL OBLIGATION BONDS OF THE PASADENA UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL.

WHEREAS, a duly called election was held in the Pasadena Unified School District (the "District"), Los Angeles County (the "County"), State of California, on November 4, 2008 and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$350,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization");

WHEREAS, on September 17, 2009, the Board of Supervisors of the County (the "County Board"), on behalf of the District, issued the first series of bonds under the Authorization in the aggregate principal amount of \$40,320,000, designated as Pasadena Unified School District (Los Angeles County, California) 2009 General Obligation Bonds (Election of 2008) Series 2009A-1 (Tax-Exempt);

WHEREAS, concurrently with the issuance of such bonds, the County Board issued on behalf of the District the second series of bonds under the Authorization in an aggregate principal amount of \$84,680,000, designated as Pasadena Unified School District (Los Angeles County, California) 2009 General Obligation Bonds (Election of 2008) Series 2009A-2 (Federally Taxable Build America Bonds); and

WHEREAS, the Board of Education of the District, determined in a resolution adopted on June 12, 2012 (the "District Resolution") to authorize the issuance and sale of the third series of bonds under the Authorization, in an aggregate principal amount not-to-exceed \$125,000,000 and styled as "Pasadena Unified School District (Los Angeles County, California) 2008 Election General Obligation Bonds, Series 2012" (the "Bonds") pursuant to Section 53506 *et seq.* of the California Government Code (the "Bond Law");

WHEREAS, the County Board has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County (the "Auditor-Controller") to place on its 2012-13 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds, that will be provided to the Auditor-Controller by the District following the sale of the Bonds; and

WHEREAS, the District has requested that the County Treasurer and Tax Collector (the "Treasurer") be appointed by the County Board to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds pursuant to the District Resolution.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Issuance of Bonds. That pursuant to Section 15140(b) of the Education Code, the County is granted the power to and hereby approves the issuance of the Bonds by the District on its own behalf under the Bond Law.

SECTION 2. Levy of Taxes. That this Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller is hereby directed to place on its 2012-13 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 4. Paying Agent. That the Treasurer act as initial Paying Agent for the Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

SECTION 5. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the ^{19th} day of June, 2012, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI,
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By:

Lachelle Ami Sherman
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By:

John F. Krattli
Principal Deputy County Counsel

SECRETARY'S CERTIFICATE

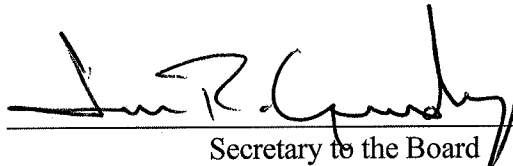
I, Jon R. Gundry, Secretary to the Board of Education of the Pasadena Unified School District, Los Angeles County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly and legally held at the regular meeting place thereof on June 12, 2012, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes.

Said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: 6/13/2012


Secretary to the Board

**APPROVED by the Board of
Education of the Pasadena
Unified School District on the
above mentioned date**

**BOARD OF EDUCATION
PASADENA UNIFIED SCHOOL DISTRICT
PASADENA, CALIFORNIA**

Topic: A RESOLUTION OF THE BOARD OF EDUCATION OF THE PASADENA UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF PASADENA UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY, CALIFORNIA) 2008 ELECTION GENERAL BONDS, SERIES 2012 AND ACTIONS RELATED THERETO – INCLUDING RESCISSION OF RESOLUTION 2197

RECOMMENDATION: The Board of adopt Resolution 2204 which includes rescission of Resolution 2197.

District Priority/Strategy: Accountability: Collaborative planning process at the District level to align services, human resources and financial resources to support achievement and instruction goals.

I. BACKGROUND:

As the Governing Board is aware, the voters of the District passed Measure TT, a \$350 million Proposition 39 General Obligation Bond on November 4, 2008. On September 17, 2009, the District issued the first series of \$125 million in bonds. About \$75 million in work has been done, including architectural design, new construction and modernization. The District is ready to issue its next \$125 million in bonds.

II. STAFF ANALYSIS:

Attached is the Authorizing Resolution to issue a maximum of \$125 million in General Obligation Bonds, Series B, in accordance with the timeline set forth in Measure TT. The bonds are scheduled to be sold in late June 2012, with the proceeds to be received by the District in soon after the sales. The tax rate will continue to be below the \$48 maximum commitment per \$100,000 of assessed value for real property in the District.

III. FISCAL IMPACT:

The District attempted to issue these bonds under the Education Code, however the Los Angeles County Treasurer would not sign off on the bond purchase agreement because the District was paying the Underwriter's discount (about \$400,000) with bond premium. Bond premium does not count toward our total \$350 million issuance maximum. By adopting this Resolution under Government Code, the Los Angeles County Treasurer will sign off on the purchase contract paying for Underwriter's discount from bond premium, thereby providing the \$400,000 for facilities, instead of issuance costs. The attached resolution satisfies the requirements for the Pasadena Unified School District's to issue a maximum of \$125 million in General Obligation Bonds. There is no cost to the District for this action. This action will allow the process of issuing bonds in a timely manner to fund the construction projects outlined by Measure TT.

Pasadena Unified School District
Board of Education Agenda: June 12, 2012
Prepared by: Dr. John Pappalardo, Chief Finance Officer

Funding code: Not Required

APPROVED by the Board of
Education of the Pasadena
Unified School District on the
above mentioned date

PASADENA UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 2204

A RESOLUTION OF THE BOARD OF EDUCATION OF THE PASADENA UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF PASADENA UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY, CALIFORNIA) 2008 ELECTION GENERAL OBLIGATION BONDS, SERIES 2012, AND ACTIONS RELATED THERETO

WHEREAS, a duly called election was held in the Pasadena Unified School District (the "District"), Los Angeles County (the "County"), State of California on November 4, 2008 (the "Election") and thereafter canvassed pursuant to the law; and

WHEREAS, at such election there was submitted to and approved by the requisite vote of fifty-five percent or more of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount not to exceed \$350,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, on September 17, 2009, the Board of Supervisors of the County (the "County Board") issued on behalf of the District the first series of bonds under the Authorization in an aggregate principal amount of \$40,320,000, designated as Pasadena Unified School District (Los Angeles County, California) 2009 General Obligation Bonds (Election of 2008) Series 2009A-1 (Tax-Exempt); and

WHEREAS, concurrently with the issuance of the Series 2009A-1 Bonds, the County Board issued on behalf of the District the second series of bonds under the Authorization in an aggregate principal amount of \$84,680,000, designated as Pasadena Unified School District (Los Angeles County, California) 2009 General Obligation Bonds (Election of 2008) Series 2009A-2 (Federally Taxable Build America Bonds); and

WHEREAS, on April 24, 2012, this Board of Education (the "Board") did adopt its Resolution No. 2197 (the "Prior Resolution") authorizing and requesting the issuance by the County Board on behalf of the District of a third series of bonds under the Authorization, to be issued pursuant to certain provisions of the California Education Code; and

WHEREAS, at this time the Board has determined that it is necessary and desirable to rescind the Prior Resolution and to provide for the issuance by the District on its own behalf of the third series of bonds under the Authorization, in an aggregate principal amount not-to-exceed \$125,000,000 to be styled as "Pasadena Unified School District (Los Angeles County, California) 2008 Election General Obligation Bonds, Series 2012" (the "Bonds");

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), the Bonds are authorized to be issued by the District for purposes set forth in the ballot submitted to the voters at the Election;

WHEREAS, this Board desires to authorize the issuance of the Bonds in one or more series of taxable or tax-exempt bonds, and further as any combination of current interest bonds, capital appreciation bonds, or convertible capital appreciation bonds;

WHEREAS, the District has not received a qualified or negative certification in its most recent interim financial report pursuant to Section 42131 of the California Education Code;

WHEREAS, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF EDUCATION OF THE PASADENA UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. Authorization for Issuance of the Bonds; Rescission of Prior Resolution.

To raise money for the purposes authorized by the voters of the District at the Election (the "Projects"), and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Bonds pursuant to the Act in one or more series of taxable or tax-exempt bonds, with appropriate designation if more than one series is issued, and as any combination of Current Interest, Capital Appreciation and Convertible Capital Appreciation Bonds (as defined herein) as set forth in the fully-executed Purchase Contract (defined herein). The Board further orders such Bonds sold such that the Bonds shall be dated as of a date to be determined by the Board, shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed \$125,000,000. The Board hereby rescinds the Prior Resolution.

SECTION 2. Paying Agent. This Board does hereby appoint the Los Angeles County Treasurer and Tax Collector as the Paying Agent (defined herein) for the Bonds on behalf of the District. The Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent not paid from the proceeds of the sale of the Bonds may be paid in each year from taxes levied and collected for payment of the Bonds, insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 3. Terms and Conditions of Sale. The Bonds shall be sold upon the direction of the Superintendent of the District (the "Superintendent") or the Chief Finance Officer of the District (the "Chief Finance Officer") (collectively, the "Authorized Officers"). The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for RBC Capital Markets, LLC (the "Underwriter") to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

SECTION 4. Approval of Purchase Contract. The form of bond purchase contract (the "Purchase Contract") by and between the District and the Underwriter, for the purchase and sale of the Bonds, substantially in the form on file with the Clerk of the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized and requested to acknowledge the execution of such Purchase Contract; provided, however, that the maximum true interest cost on the Bonds shall not exceed the maximum rate permitted by law and the Underwriter's discount, excluding original issue discount thereon and expenses and costs of issuance, shall not exceed 0.325% of the aggregate principal amount of Bonds issued. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the District up to \$125,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter (excluding fees of the Bond Insurer, if any), will equal approximately 2.25% of the principal amount of the Bonds.

SECTION 5. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

(a) **"Accreted Interest"** means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, the Accreted Value thereof as of the date of calculation, minus the Denominational Amount thereof.

(b) **"Accreted Value"** means, with respect to the Capital Appreciation Bonds and with respect to the Convertible Capital Appreciation Bonds prior to the Conversion Date thereof, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on August 1, 2012 (unless otherwise provided in the Purchase Contract)) at the stated Accretion Rate to maturity or conversion thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) **"Accretion Rate"** means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Denominational Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, and compounded semiannually on each February 1 and August 1 (commencing on August 1, 2012), produces the Maturity Value on the maturity date, in the case of a Capital Appreciation Bond, and the Conversion Value on the Conversion Date, in the case of a Convertible Capital Appreciation Bond.

(d) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal, Conversion Value or Maturity Value of and interest on the Bonds.

(e) **"Bond Payment Date"** means (unless otherwise provided by the Purchase Contract or the Official Statement) (i) with respect to the Current Interest Bonds, February 1 and August 1 of each year, commencing August 1, 2012, with respect to the interest on the Current Interest Bonds, and the stated maturity dates thereof, with respect to the principal payments on the Current Interest Bonds, (ii) with respect to the Convertible Capital Appreciation Bonds, February 1 and August 1 of each year, commencing on the first such February 1 or August 1 following the respective Conversion Dates thereof, with respect to the interest on the Convertible Capital Appreciation Bonds and the stated maturity dates thereof,

with respect to the principal payments on the Convertible Capital Appreciation Bonds, and (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(f) **"Capital Appreciation Bonds"** means the Bonds the interest component of which is compounded semiannually to maturity as shown in the table of Accreted Values for such Bonds in the Official Statement.

(g) **"Code"** means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

(h) **"Continuing Disclosure Certificate"** means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(i) **"Conversion Date"** means, with respect to Convertible Capital Appreciation Bonds, the date from which such Bonds bear current interest.

(j) **"Conversion Value"** means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

(k) **"Convertible Capital Appreciation Bonds"** means the Bonds the interest component of which is compounded semiannually to the respective Conversion Dates thereof as shown in the table of Accreted Values for such Bonds in the Official Statement, and which bear interest from such respective Conversion Dates on the Conversion Value thereof, payable semiannually on each Bond Payment Date, all as set forth in the Purchase Contract.

(l) **"Current Interest Bonds"** means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(m) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, the initial principal amounts thereof, and, with respect to the Current Interest Bonds, the principal amounts thereof.

(n) **"Depository"** means the entity acting as security depository for the Bonds pursuant to Section 6(c) hereof.

(o) **"DTC"** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Bonds.

(p) **"Fair Market Value"** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a

certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

(q) **“Information Services”** means Financial Information, Inc.’s Financial Daily Called Bond Service; Mergent, Inc., Called Bond Department; or Standard & Poor’s J. J. Kenny Information Services Called Bond Service.

(r) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(s) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(t) **“Non-AMT Bonds”** means obligations the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, that are legal investments pursuant to Section 53601 of the Government Code of the State of California.

(u) **“Official Statement”** means the Official Statement for the Bonds, as described in Section 17 hereof.

(v) **“Outstanding”** means, when used with reference to the Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this resolution except:

(i) Bonds canceled at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 8 hereof; or

(iii) Bonds for the payment or redemption of which funds or Federal Securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 19 of this Resolution.

(w) **“Owner”** means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 6 hereof.

(x) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(y) **"Paying Agent"** mean, initially, the Los Angeles County Treasurer and Tax Collector, or any successor thereto, acting in the capacity of paying agent, bond registrar, authenticating agent and transfer agent.

(z) **"Permitted Investments"** means (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code, including Non-AMT Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider rated in at least the second highest category by each rating agency then rating the Bonds, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the county investment pool maintained by the Director of Finance, and (vi) State and Local Government Series Securities.

(aa) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal amount thereof and, with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bonds, the Denominational Amount thereof.

(bb) **"Qualified Non-AMT Mutual Fund"** means stock in a regulated investment company to the extent that at least 95% of the income of such regulated investment company is interest that is excludable from gross income under Section 103 of the Code and not an item of tax preference under Section 57(a)(5)(C) of the Code.

(cc) **"Qualified Permitted Investments"** means (i) Non-AMT Bonds, (ii) Qualified Non-AMT Mutual Funds, (iii) other Permitted Investments authorized by an opinion of Bond Counsel to the effect that such investment would not adversely affect the tax-exempt status of the Bonds, and (iv) Permitted Investments of proceeds of the Bonds, and interest earned on such proceeds, held not more than thirty days pending reinvestment or Bond redemption. A guaranteed investment contract or similar investment agreement (e.g. a forward supply contract, GIC, repo, etc.) does not constitute a Qualified Permitted Investment.

(dd) **"Rating Agencies"** means Standard & Poor's Rating Services and Moody's Investors Service.

(ee) **"Record Date"** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(ff) **"Securities Depository"** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

(gg) **"Taxable Bonds"** means any Bonds not issued as Tax-Exempt Bonds.

(hh) **"Tax-Exempt Bonds"** means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(ii) **"Term Bonds"** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(ij) **"Transfer Amount"** means, (i) with respect to any Outstanding Current Interest Bond, the Principal Amount, (ii) with respect to any Outstanding Capital Appreciation Bond, the Maturity Value, and (iii) with respect to any Outstanding Convertible Capital Appreciation Bond, the Conversion Value.

SECTION 6. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates. The Bonds shall be issued as Bonds registered as to both principal and interest, in the following denominations: (i) with respect to the Current Interest Bonds, \$5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination, if necessary), and (iii) with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value or any integral multiple thereof. The Bonds shall bear or accrete interest at a rate or rates such that the interest rate shall not exceed that permitted by law.

Each Current Interest Bond shall be dated the date of delivery thereof or such other date as shall appear in the Purchase Contract or Official Statement (the "Dated Date"), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from its Dated Date. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each \$5,000 in Maturity Value as shown in the Accreted Value Table attached to the Official Statement or Purchase Contract. The Convertible Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each \$5,000 in Conversion Value as shown in such Accreted Value Table. Notwithstanding the preceding provisions of this paragraph, in the event that the amount shown in the Accreted Value Table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 5 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

Before its Conversion Date, each Convertible Capital Appreciation Bond shall not bear current interest but will accrete in value through the Conversion Date thereof, from its Denominational Amount on the date of delivery thereof, to its Conversion Value on the applicable Conversion Date. From and after its Conversion Date, each Convertible Capital Appreciation Bond will bear current interest, and such interest will accrue based upon the Conversion Value of such Bonds at the Conversion Date. No payment will be made to the Owners of Convertible Capital Appreciation Bonds on the respective Conversion Dates thereof.

(b) Redemption.

(i) Optional Redemption. The Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract or the Official Statement.

(ii) Mandatory Redemption. Any Bonds sold as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Purchase Contract.

(iii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent identified below, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that (A) the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, (B) the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof, and (C) the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value thereof, and further provided that the Purchase Contract may provide that, within a maturity, Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided further that, such redemption is made in accordance with the operational arrangements of DTC then in effect.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 6(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice may be conditioned on the receipt of monies sufficient to pay the principal, Maturity Value or Conversion Value of, and interest due on, such Bonds on the date set for such redemption. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount, Conversion Value or Accreted Value of such Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid,

(ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive or failure to publish any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

With respect to any notice of redemption of Bonds pursuant to Section 6(b)(i) hereof, unless upon the giving of such notice such Bonds shall be deemed to have been defeased pursuant to Section 19 hereof, such notice shall state that such redemption shall be conditional upon the receipt by the Paying Agent (or an independent escrow agent selected by the District) on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, and premium, if any, and interest on, such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect, the Bonds shall not be subject to redemption on such date and the Bonds shall not be required to be redeemed on such date. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the notice of redemption was given, that such moneys were not so received.

The District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent on or prior to the date fixed for redemption. Any such Redemption Notice shall be rescinded if for any reason available monies are not (or will not be) available on the date fixed for redemption for the payment in full of principal, Maturity Value or Conversion Value of, and interest due on, the Bonds then called for redemption. The Paying Agent shall mail notice of rescission of such Redemption Notice in the same manner that the Redemption Notice was originally provided.

(v) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside as provided in Section 19 hereof, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 6(b) hereof, together with interest accrued to such redemption date, shall be held by the Paying Agent (or an independent escrow agent selected by the District), as provided in Section 19 hereof, so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on

behalf of the Paying Agent (or an independent escrow agent selected by the District) for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(vii) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably held in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Conversion Value, Principal, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value, Conversion Value, or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value, Conversion Value, or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value, Conversion Value, or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Accreted Value, Conversion Value, or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the

owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Bonds are held in book-entry and registered in the name of the Nominee, all payments by the District or the Bond Register with respect to Accreted Value, Conversion Value or Principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Maturity Value, Conversion Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Maturity Value or Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Bonds.

SECTION 7. Execution of the Bonds. The Bonds shall be signed by the President of the Board, or other member of the Board authorized to do so by resolution of the Board, by their manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary to or Clerk

of the Board, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 8. Paying Agent; Transfer and Exchange. So long as any of the Bonds remains outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal, Conversion Value, or Accreted Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new bond or bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the owner, the District, at the expense of the Bond owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the

District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. Payment. Payment of interest on any Current Interest Bond (or Convertible Capital Appreciation Bond after its respective Conversion Date) on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer or check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount, Conversion Value or Maturity Value of One Million Dollars (\$1,000,000) or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Current Interest Bonds, the Accreted Value and redemption premiums, if any, on the Capital Appreciation Bonds, and the Accreted Value, Conversion Value and redemption premiums, if any, on Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, Accreted Value, Conversion Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute an obligation of the County except as provided in this Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

SECTION 10. Forms of Bonds. The Bonds shall be in substantially the forms as set forth in Exhibit A hereto, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Purchase Contract.

SECTION 11. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriter upon payment of the purchase price therefor.

SECTION 12. Deposit of Proceeds of Bonds. (a) The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of the Principal Amount thereof, shall be paid to the County to the credit of the fund hereby authorized to be created to be known as the "Pasadena Unified School District 2008 Election General Obligation Bonds, Series 2012 Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes of the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. The Building Fund may contain subaccounts if the Bonds are issued in more than one series. The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of any accrued interest and any original issue premium, shall be kept separate and apart in the fund hereby authorized to be created and designated as the "Pasadena Unified School District 2008 Election General Obligation Bonds, Series 2012 Debt Service Fund" (the "Debt Service Fund") for the Bonds and used for payment of Accreted Value, Conversion Value, or Principal of and interest on the Bonds, and for no other purpose. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued upon written notice from the District shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value, Conversion Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

The costs of issuance of the Bonds are hereby authorized to be paid either from premium withheld by the Underwriter upon the sale of the Bonds, or from proceeds of the Bonds. To the extent costs of issuance are paid from such proceeds, the District, may direct that a portion of the proceeds of the Bonds received from the Underwriter, in lieu of being deposited into the Building Fund, be deposited in a costs of issuance account to be held by a fiscal agent of the District appointed for such purpose.

(b) Moneys in the Debt Service Fund and the Building Fund shall be invested at the written direction of the District, and after consultation with the County, in Permitted Investments. If at the time of issuance the District determines to issue the Bonds as Tax-Exempt Bonds without regard to the Internal Revenue Code "temporary period" restrictions, all investment of Bond proceeds shall be subject to paragraph (1) below; and the District, in consultation with the County, may provide for an agent to assist the County in investing funds pursuant to paragraph (1) below. If the District fails to direct the County or its agent, as the case may be, the County or its agent shall invest or cause the funds in the Building Fund to be invested in Qualified Permitted Investments, subject to the provisions of paragraph (1) below, until such time as the District provides written direction to invest such funds otherwise. Neither the County nor its officers and agents, as the case may be, shall have any

responsibility or obligation to determine the tax consequences of any investment. The interest earned on the moneys deposited to the Building Fund shall be applied as set forth in subparagraph (1)(C) below:

(1) Covenant Regarding Investment of Proceeds.

(A) Permitted Investments. Beginning on the delivery date, and at all times until expenditure for authorized purposes, not less than 95% of the proceeds of the Bonds deposited in the Building Fund, including investment earnings thereon, will be invested in Qualified Permitted Investments which are rated in at least the second highest rating category by one of the three Rating Agencies. Notwithstanding the preceding provisions of this Section, for purposes of this paragraph, amounts derived from the disposition or redemption of Qualified Permitted Investments and held pending reinvestment or redemption for a period of not more than 30 days may be invested in Permitted Investments. The District hereby authorizes investments made pursuant to this Resolution with maturities exceeding five years.

(B) Recordkeeping and Monitoring Relating to Building Fund.

i. Information Regarding Permitted Investments. The District hereby covenants that it will record or cause to be recorded with respect to each Permitted Investment in the Building Fund the following information: purchase date; purchase price; information establishing the Fair Market Value of such Permitted Investment; face amount; coupon rate; periodicity of interest payments; disposition price; disposition date; and any accrued interest received upon disposition.

ii. Information in Qualified Non-AMT Mutual Funds. The District hereby covenants that, with respect to each investment of proceeds of the Bonds in a Qualified Non-AMT Mutual Fund pursuant to paragraph (1)(A) above, in addition to recording, or causing to be recorded, the information set forth in paragraph (1)(B)(i) above, it will retain a copy of each IRS information reporting form and account statement provided by such Qualified Non-AMT Mutual Fund.

iii. Monthly Investment Fund Statements. The District covenants that it will obtain, at the beginning of each month following the delivery date, a statement of the investments in the Building Fund detailing the nature, amount and value of each investment as of such statement date.

iv. Retention of Records. The District hereby covenants that it will retain the records referred to in paragraph (1)(B)(i) and each IRS information reporting form referred to in paragraph (1)(B)(ii) with its books and records with respect to the Bonds until three years following the last date that any obligation comprising the Bonds is retired.

(C) Interest Earned on Permitted Investments. The interest earned on the moneys deposited in the Building Fund shall be deposited in the Building Fund and used for the purposes of that fund.

Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Accreted Value, Conversion Value or Principal of and interest on the Bonds when due.

SECTION 13. Rebate Fund. The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the "Pasadena Unified School District 2008 Election General Obligation Bonds, Series 2012 Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the "rebate amount" and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

SECTION 14. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the principal, Conversion Value and Accreted Value of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, which fund is to be used the payment of the principal, Conversion Value and Accreted Value of and interest on the Bonds when and as the same fall due, and for no other purpose.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal, Conversion Value and Accreted Value of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal, Conversion Value and Accreted Value of and interest on the Bonds. DTC will thereupon make payments of principal, Conversion Value and Accreted Value and interest on the Bonds to the DTC Participants who will thereupon make payments of principal, Conversion Value and Accreted Value and interest to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to the Education Code Section 15234.

SECTION 15. Arbitrage Covenant. The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

SECTION 16. Conditions Precedent. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 17. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk of the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

SECTION 18. Insurance. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal, interest, Conversion Value or Accreted Interest on the Bonds, it shall become the owner of such Bonds with the right to payment of principal, interest, Conversion Value or Accreted Interest on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal, Conversion Value or Accreted Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 19. Defeasance. All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) **Cash:** by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal, Conversion Value, Maturity Value, interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys transferred from the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

SECTION 20. Nonliability of County. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the County's full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from the moneys of the District.

SECTION 21. Indemnification of County. The District shall defend, indemnify and hold harmless the County, its officials, officers, agents and employees ("Indemnified Parties") against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject based in whole or in part upon any acts or omission related to the Bonds, except with regard to the County's responsibilities under Section 23 hereof. The District shall also reimburse the Indemnified Parties for any legal or other costs and expenses incurred in connection with investigating or defending any such claims or liabilities.

SECTION 22. Reimbursement of County Costs. The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents and employees in issuing or otherwise in connection with the Bonds.

SECTION 23. Request to County to Levy Tax. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal, Maturity Value, Conversion Value and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to pay all principal, Maturity Value, Conversion Value and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds.

SECTION 24. Other Actions. (a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints RBC Capital Markets, LLC, as the Underwriter, and Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel and Disclosure Counsel, all with respect to the issuance of the Bonds.

(c) Notwithstanding any other provisions contained herein, the provisions of this Resolution as they relate to the Bonds may be amended by the Purchase Contract and the Official Statement.

SECTION 25. Resolution to County Treasurer-Tax Collector. The Secretary to or Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer immediately following its adoption.

SECTION 26. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The form of the Continuing Disclosure Certificate, included as Appendix C to the Preliminary Official Statement, is hereby approved. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

SECTION 27. Further Actions Authorized. It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

SECTION 28. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

SECTION 29. Effective Date. This Resolution shall take effect immediately upon its passage..

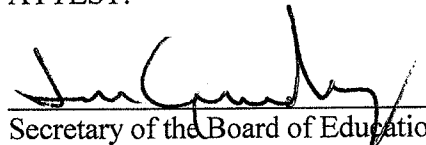
PASSED, ADOPTED AND APPROVED this 12th day of June, 2012, by the following vote:

AYES:	MEMBERS	<u>Cooper, Honowitz, Pomeroy, Phelps, Selinske</u>
		<u>Keene</u>
NOES:	MEMBERS	<u>0</u>
ABSTAIN:	MEMBERS	<u>0</u>
ABSENT:	MEMBERS	<u>Miramontes</u>



President of the Board of Education

ATTEST:



Secretary of the Board of Education

**APPROVED by the Board of
Education of the Pasadena
Unified School District on the
above mentioned date**

SECRETARY'S CERTIFICATE

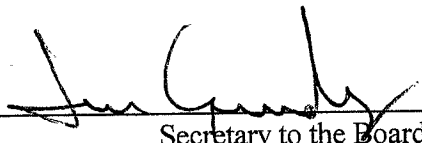
I, Jon R. Gundry, Secretary to the Board of Education of the Pasadena Unified School District, Los Angeles County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly and legally held at the regular meeting place thereof on June 12, 2012, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes.

Said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____


Secretary to the Board

APPROVED by the Board of
Education of the Pasadena
Unified School District on the
above mentioned date

EXHIBIT A
FORMS OF BONDS

(Form of Current Interest Bond)

REGISTERED
NO.

REGISTERED
\$

PASADENA UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
2008 ELECTION GENERAL OBLIGATION BONDS, SERIES 2012

INTEREST RATE:
____ % per annum

MATURITY DATE:
August 1, ____

DATED AS OF:
Date of Delivery

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Pasadena Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2012. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2012, in which event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of

California, and the requisite vote of the electors of the District cast at a general election held on November 4, 2008, upon the question of issuing bonds in the amount of \$350,000,000 and the resolution of the Board of Education of the District adopted on June 12, 2012 (the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

[The bonds of this issue comprise (i) \$_____ principal amount of Current Interest Bonds, of which this bond is a part, (ii) Capital Appreciation Bonds of which \$_____ represents the Denominational Amount and \$_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which \$_____ represents the initial principal amount and \$_____ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20__ at a redemption price equal to the principal amount of the Current Interest Bonds to be redeemed, plus interest thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Redemption Dates

Principal Amounts

TOTAL

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

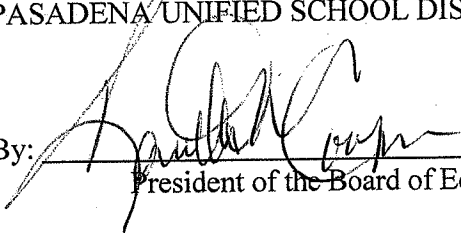
Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

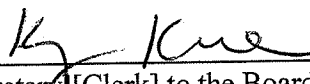
This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Pasadena Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the [Secretary][Clerk] to the Board of Education of the District, all as of the date stated above.

PASADENA UNIFIED SCHOOL DISTRICT

By: 
President of the Board of Education

COUNTERSIGNED:


[Secretary][Clerk] to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2012.

TREASURER AND TAX COLLECTOR OF
LOS ANGELES COUNTY

By: U.S. BANK TRUST NATIONAL
ASSOCIATION, as Agent

Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.


Secretary to the Board of Education

(Form of Legal Opinion)

(Form of Capital Appreciation Bond)

REGISTERED
NO.

REGISTERED
\$

PASADENA UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
2008 ELECTION GENERAL OBLIGATION BONDS, SERIES 2012

ACCRETION RATE:

MATURITY DATE:

August 1, ____

DATED AS OF:

Date of Delivery

CUSIP

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Pasadena Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2012, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on November 4, 2008, upon the question of issuing bonds in the amount of \$350,000,000 and the resolution of the Board of Education of the District adopted on June 12, 2012 (the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

[The bonds of this issue comprise (i) \$ _____ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which this bond is a part, and of which \$ _____ represents the

Denominational Amount and \$ _____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, and of which \$ _____ represents the initial principal amount and \$ _____ represents the Conversion Value.]

[The Capital Appreciation Bonds are not subject to redemption prior to their stated maturity dates.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

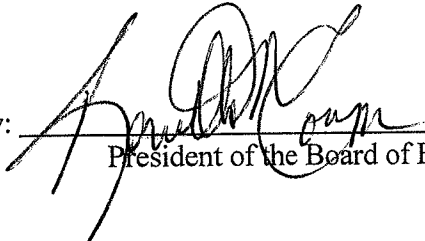
Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Pasadena Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the [Secretary][Clerk] to the Board of Education of the District, all as of the date stated above.

PASADENA UNIFIED SCHOOL DISTRICT

By: 
President of the Board of Education

COUNTERSIGNED:


[Secretary][Clerk] to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2012.

TREASURER AND TAX COLLECTOR OF
LOS ANGELES COUNTY

By: U.S. BANK TRUST NATIONAL
ASSOCIATION, as Agent

Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.


Secretary to the Board of Education

(Form of Legal Opinion)

(Form of Convertible Capital Appreciation Bond)

REGISTERED
NO.

REGISTERED
\$

PASADENA UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
2008 ELECTION GENERAL OBLIGATION BONDS, SERIES 2012

ACCRETION RATE TO <u>CONVERSION DATE</u>	<u>CONVERSION</u> <u>DATE</u>	INTEREST RATE AFTER THE <u>CONVERSION DATE</u>	MATURITY <u>DATE</u>	<u>DATED AS OF:</u>	<u>CUSIP</u>
_____	_____, 20__	_____	_____, 20__	_____, 2012	_____

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT:

CONVERSION VALUE :

The Pasadena Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the initial principal amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2012, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the principal amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District promises to pay to the Registered Owner named above, interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year, commencing _____, 20__ (the "Bond Payment Dates"). This bond will bear such interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ 15, 20__, in which event it will bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Accreted Value or Conversion Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on November 4, 2008, upon the question of issuing bonds in the amount of \$350,000,000 and the resolution of the Board of Education of the District adopted on June 12, 2012 (the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

[The bonds of this issue comprise (i) \$_____ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds of which \$_____ represents the Denominational Amount and \$_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is a part, and of which \$_____ represents the initial principal amount and \$_____ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Convertible Capital Appreciation Bonds are not subject to redemption prior to maturity.]

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Convertible Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and

collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]


IN WITNESS WHEREOF, the Pasadena Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the [Secretary][Clerk] to the Board of Education of the District, all as of the date stated above.

PASADENA UNIFIED SCHOOL DISTRICT

By: 

President of the Board of Education

COUNTERSIGNED:


[Secretary][Clerk] to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2012.

TREASURER AND TAX COLLECTOR OF
LOS ANGELES COUNTY

By: U.S. BANK TRUST NATIONAL
ASSOCIATION, as Agent

Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.


Secretary to the Board of Education

(Form of Legal Opinion)

§ _____
**PASADENA UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
2008 ELECTION GENERAL OBLIGATION BONDS, SERIES 2012**

PURCHASE CONTRACT

June __, 2012

Board of Education
Pasadena Unified School District
351 South Hudson Avenue
Pasadena, California 91001

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the "Underwriter"), acting on its own behalf and not as a fiduciary agent for you, offers to enter into this Purchase Contract (the "Purchase Contract") with the Pasadena Unified School District (the "District"), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. By execution of this Purchase Contract, the District and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$ _____ in aggregate principal amount of the District's 2008 Election General Obligation Bonds, Series 2012 (the "Bonds"). The Bonds shall bear or accrete interest at the rates and shall mature as shown on Exhibit A hereto, which is incorporated herein by this reference, with the first interest payment date therefor to be May 1, 2013. The Underwriter shall purchase the Bonds at a price of \$ _____ (consisting of the aggregate principal amount of the Bonds, plus original issue premium of \$ _____, less an Underwriter's discount of \$ _____).

Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or fiduciary of the District; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to: (x) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter,

has advised or is currently advising the District on other matters); or (y) any other fiduciary or contractual obligation to the District except the obligations expressly set forth in this Purchase Contract; and (iv) the District have consulted with their own respective legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Bonds. The undersigned has been duly authorized to execute this Purchase Contract on behalf of the Underwriter and to act hereunder.

2. **The Bonds.** The Bonds shall be dated as of their date of delivery and shall mature on August 1 in the years shown on Exhibit A hereto. Except as otherwise agreed to, the Bonds shall otherwise be as described in the Preliminary Official Statement (as defined in Paragraph 4 below), and shall be issued and secured pursuant to the provisions of the Resolution of the governing board of the District adopted on June 12, 2012 (the "Resolution"), this Purchase Contract and Section 53506 *et seq.* of the California Government Code (the "Act"). The Paying Agent for the Bonds, as designated by the Resolution, shall be the Treasurer and Tax Collector of the County of Los Angeles (the "Paying Agent").

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offering and sale of the Bonds, this Purchase Contract, the Official Statement (as defined below), the Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. **Public Offering of the Bonds.** The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields set forth on Exhibit A hereto, and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement. The Underwriter agrees to provide reoffering price data respecting the Bonds to Bond Counsel (as defined below) in connection with the Closing (as defined below).

5. **Official Statement.** The District has caused to be drafted and consents to the use of the Preliminary Official Statement, dated June __, 2012, describing the Bonds (the "Preliminary Official Statement"), including the cover page, inside cover page and Appendices thereto. The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement has been prepared for use in connection with the public offering, sale and distribution of the Bonds.

The District shall prepare a final Official Statement respecting the Bonds following the execution hereof (the "Official Statement") and the District has authorized the use thereof by the Underwriter in connection with the public offering and sale of the Bonds. The District shall provide, or cause to be provided, to the Underwriter not later than seven business days after the execution hereof, and in sufficient time to accompany any confirmation of the sale of the Bonds, copies of the Official Statement, complete as of the date of its delivery to the Underwriter, in such reasonable quantities as the Underwriter shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

During the period ending on the 25th day after the End of the Underwriting Period (as defined below) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of this Purchase Contract, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (a) the date of Closing or (b) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District, the Underwriter and the County, the District may assume that the End of the Underwriting Period is the Closing Date.

6. **Closing.** At 9:00 a.m., California Time, on _____, 2012, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing"), the District will deliver to the Underwriter, through the facilities of DTC, the Bonds in book-entry form, duly executed and registered as provided in paragraph 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept

such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the District.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

A. The District is a unified school district duly organized and validly existing under the laws of the State of California, with the full legal right, power and authority to (i) request the County to issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Contract and the Continuing Disclosure Certificate appended to the Official Statement (the "Continuing Disclosure Certificate"); and (iii) adopt the District Resolution.

B. (i) The District has the legal right, power and authority to enter into this Purchase Contract, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to cause the Bonds to be issued and delivered as contemplated by this Purchase Contract, the District Resolution and the Continuing Disclosure Certificate (collectively, the "District Documents"); (ii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds and the District Documents have been duly authorized; and (iii) the District Documents constitute valid and legally binding obligations of the District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights.

C. Other than those already obtained, given, filed or made, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, except for such actions which may qualify the Bonds for offer and sale under Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the District Documents, and the compliance with the provisions thereof and hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

E. Other than as described in the Preliminary Official Statement, as of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the Authorized District Representative, as defined in the District Resolution; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, or the collection of *ad valorem* taxes available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Contract or the District Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Contract or the District Resolution, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest from California personal income taxation.

F. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District nor the County in the name and on behalf of the District, will issue in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in the Official Statement.

G. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

H. With respect to any certificates by the District pursuant to Section 42131 of the Education Code of the State, the District has not received a qualified or negative certification from the County Superintendent of Schools.

I. Other than as described in the Preliminary Official Statement, the District is not in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations.

J. The District will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offering and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as may be required for the distribution of the Bonds (provided, however, that the District

will not be required to qualify as a foreign corporation or to file any general or special consent to service of process under the laws of any jurisdiction).

K. The Preliminary Official Statement did not, and the Official Statement will not, as of its date (excluding therefrom information relating to The Depository Trust Company and information provided by the Underwriter) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended, at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

L. The financial statements of, and other financial information regarding the District, in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth. Since the date of the Preliminary Official Statement, there has been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

8. **Reserved.**

9. **Conditions to Closing.** The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. The District has entered into this Purchase Contract in reliance upon the representations and warranties of the Underwriter contained herein and the performance by the Underwriter of its obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds are and shall be conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District of such documents and instruments as are enumerated below, in form and substance satisfactory to the Underwriter. The obligations on the part of the District to deliver the Bonds and the various documents, instruments, certificates and opinions described below are conditioned upon the performance by the Underwriter of its obligations to be performed hereunder and under such documents, instruments and certificates as the Underwriter is required to deliver at or prior to Closing, as enumerated below.

A. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

B. At the time of the Closing, (i) this Purchase Contract and the Resolution shall be in full force and effect and each of said documents together with the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter (which writing may be by email, telecopy or other electronic means); (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution or this Purchase Contract to be performed at or prior to the Closing;

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be pending or threatened, which has any of the effects described in Section 7.E hereof, or contesting in any way the completeness or accuracy of the Official Statement;

D. Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations

of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war or new engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis interfering with the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or general fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters such as, and including, the Underwriter;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby, is or would be in violation of the Federal securities laws, as amended and then in effect;

(6) there shall have occurred or any notice shall have been given of any downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service of any of the District's outstanding indebtedness;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any material statement or information set forth in the Official Statement, including, but not limited to, any materially adverse change in the affairs or financial condition of the District or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(8) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(9) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(10) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

E. At or prior to the date of the Closing, the Underwriter shall receive an original of each of the following documents, in each case dated as of the Closing Date (unless otherwise noted below) and satisfactory in form and substance to the Underwriter:

(1) An approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, addressed to the District;

(2) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in E(1) above;

(3) A supplemental opinion from Bond Counsel, addressed to the Underwriter, to the effect that:

(a) this Purchase Contract has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, is a legally valid and binding agreement of the District, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies, is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

(b) the statements contained in the Official Statement in the sections thereof entitled: "THE BONDS" and "TAX MATTERS," insofar as such statements purport to summarize certain provisions of the Bonds, and is subject to the limitations on legal remedies against school districts in the State of California, the District Resolution and the County Resolution, are accurate in all material respects; and

(c) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(4) A certificate or certificates signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has taken all actions required to be taken by it in order to authorize the issuance and delivery of the Bonds; (iv) the District has complied with all the terms of the Resolution and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (vi) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolution and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the District or the due adoption of the Resolution;

(5) A tax certificate of the District in form satisfactory to Bond Counsel;

(6) Evidence satisfactory to the Underwriter that the Bonds shall have been rated "AA-" by Standard & Poor's Ratings Services business LLC and "Aa2" by Moody's Investors Service (or such other equivalent rating as such rating agency may give) and that such ratings have not been revoked or downgraded;

(7) A certificate, together with fully executed copies of the District Resolution, of the Secretary of the District Board of Education to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(8) A "deemed final" certificate of the appropriate official of the District with respect to the Preliminary Official Statement in accordance with the Rule;

(9) The Continuing Disclosure Certificate, in substantially the form appended to the Preliminary Official Statement, signed by an appropriate official of the District and the Dissemination Agent, if any;

(10) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for

the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

- (11) A receipt of the County for the purchase price of the Bonds;
- (12) The receipt of the Underwriter for the Bonds;
- (13) A reoffering price certificate of the Underwriter, in a form satisfactory to Bond Counsel;
- (14) A certificate of the Underwriter acknowledging satisfaction of all conditions to Closing herein, or the waiver of any conditions not so satisfied;
- (15) A certificate of the District, acknowledging satisfaction of all conditions to Closing herein, or the waiver of any conditions not so satisfied;
- (16) An opinion of counsel to the Underwriter in form and substance satisfactory to the Underwriter; and
- (17) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter or Bond Counsel may reasonably request in order to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing or by telephone or telecopy, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

10. **Conditions to Obligations of the District.** The performance by the District of its obligations under this Purchase Contract is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and by the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

11. **Expenses.** (a) All expenses incident to the performance of its obligation under this Purchase Contract shall be paid from original issue premium, including but not limited to the following: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings, including all necessary expenses related to obtaining such ratings; (iv) the cost of the

printing and distribution of the Official Statement; (v) the fees of the Paying Agent; and (vi) all other fees and expenses incident to the issuance and sale of Bonds. The District acknowledges that it has had an opportunity to evaluate and consider the fees and expenses being incurred in connection with the issuance of the Bonds.

(b) The Underwriter shall pay all of its out-of-pocket expenses, including: (1) clearing house fees; (2) MSRB fees related to the within transaction, if any; (3) the costs associated with qualifying the Bonds under applicable Blue Sky requirements and/or legal investment surveys, if any; (4) fees of Underwriter's Counsel; and (5) travel and other expenses not specified in clauses (i) through (vi) above.

12. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the District, to the Chief Finance Officer of Pasadena Unified School District, 351 South Hudson Avenue, Pasadena, California 91001, or if to the Underwriter, to RBC Capital Markets Corporation, 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Attn: Roderick A. Carter.

13. **Parties In Interest; Survival of Representations and Warranties.** This Purchase Contract when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This Purchase Contract is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County or the District in this Purchase Contract shall survive regardless of (a) any investigation of any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

14. **Execution in Counterparts.** This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Left Blank]

15. **Applicable Law.** This Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

RBC CAPITAL MARKETS LLC

By _____

Roderick A. Carter
Managing Director

The foregoing is hereby agreed to and accepted as
of the date first above written:

PASADENA UNIFIED SCHOOL DISTRICT

By _____

John Pappalardo, Ed.D.
Chief Finance Officer

Accepted at ____ [a.m.] [p.m.] Pacific Daylight Time on this ____ day of _____, 2012.

EXHIBIT A

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
	\$	%	%

^(c) Priced to the par call date of August 1, 20__.

\$ _____ % Current Interest Term Bonds due August 1, 20__ Yield: _____ %
\$ _____ % Current Interest Term Bonds due August 1, 20__ Yield: _____ %

TERMS OF REDEMPTION

The Bonds are subject to redemption prior to their stated maturity dates as follows:

Optional Redemption. The Bonds maturing on or before August 1, 20__, are not subject to redemption. The Bonds maturing on or after August 1, 20__ may be redeemed before maturity at the option of the District, from any source of available funds, in whole, or in part, at the direction of the District, on or after August 1, 20__ at a redemption price equal to the principal amount of the Bonds called for redemption, without premium, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Mandatory
Sinking Fund Date
(August 1)

Mandatory Sinking
Fund Payment

\$

(1)

⁽¹⁾ Maturity.

The Bonds maturing on August 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Mandatory
Sinking Fund Date
(August 1)

Mandatory Sinking
Fund Payment

\$

(2)

⁽²⁾ Final Maturity.